

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

**PLIC Claims Management, Inc.
Professional Liability Insurance Company, LTD
Unimed Insurance Company
Ledee and Associates, LLC
Professional Liability Insurance Corporation
Crowne Global Group, LTD
Medical Risk Associates, RPG, LTD
Physicians Malpractices Analysts Inc.**

Enforcement Case No. 05-3172

William A Ledee III

Respondents

ORDER TO CEASE AND DESIST

**Issued and Entered
On August 1, 2006
Frances K. Wallace
Chief Deputy Commissioner**

The staff of the Office of Financial and Insurance Services ("OFIS") alleges that the following facts are true and correct:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all pertinent times, PLIC Claims Management, Inc.; Professional Liability Insurance Company, LTD; Unimed Insurance Company; Ledee and Associates, LLC; Professional Liability Insurance Corporation; Crowne Global Group, LTD; Medical Risk Associates, RPG, LTD; and Physicians Malpractices Analysts Inc. hereafter referred to as ("Companies") were unlicensed insurance companies that were not authorized to transact insurance business in the State of Michigan.
2. At all pertinent times, William A. Ledee, III ("Ledee") was an unlicensed non-resident insurance producer not authorized to transact insurance business in the State of Michigan. Respondent Companies and Ledee are hereafter collectively referred to as "Respondents."

3. Respondent Companies knew or should have known that Section 402 of the Insurance Code, MCL 500.402, provides that no person shall act as an insurer and no insurer issue any policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted by the Commissioner pursuant to the Michigan Insurance Code.
4. Respondent Companies further knew or should have known that Section 402a of the Insurance Code, MCL 500.402a, provides that the following transactions require a certificate of authority:
 - (a) The issuance or delivery of insurance contracts to residents of this state.
 - (b) The solicitation of applications for insurance contracts from residents of this state.
 - (c) The collection of premiums, membership fees, assessments, or other consideration for insurance contracts, from residents of this state.
 - (d) The doing or proposing to do any act in substance equivalent to subdivision (a) to (c).
5. Respondent Ledee knew or should have known that Section 1201a of the Insurance Code, MCL 500.1201a, prohibits a person from selling, soliciting, or negotiating insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with this chapter.
6. Respondent Ledee through Respondent Companies sold a medical malpractice insurance policy to a Michigan medical doctor and collected premium payments for the policy.
7. Respondent Companies and Ledee, individually and collectively, have engaged in or conspired to engage in, a comprehensive scheme of medical malpractice insurance fraud by:
 - a. Engaging in the business of insurance without a certificate of authority from the Commissioner.
 - b. Issuing contracts of indemnity that have not been filed with or approved by the Commissioner.
 - c. Charging premium at rates that have not been filed with or approved by the Commissioner.
 - d. Soliciting, negotiating, and selling contracts of indemnity in the State of Michigan with being licensing or authorized to do so.
8. Based on the facts above, Respondent Companies have violated Sections 402 and 402a of the Insurance Code, MCL 500.402, and 500.402a, therefore are subject to a cease and desist order pursuant to Section 251 of the Insurance Code, MCL 500.251.
9. Based on the facts above, Respondent Ledee has violated Section 1201a of the Insurance Code, MCL 500.1201a, therefore is subject to a cease and desist order pursuant to Section 1244 and 251 of the Insurance Code, MCL 500.1244 and 500.251.

WHEREAS, Section 402 of the Insurance Code, MCL 500.402, states that no person shall act as an insurer and no insurer issue any policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted by the Commissioner pursuant to the Insurance Code; and

WHEREAS, Section 402a of the Insurance Code, MCL 500.402a, provides that the following transactions require a certificate of authority:

- (a) The issuance or delivery of insurance contracts to residents of this State.
- (b) The solicitation of applications for insurance contracts from residents of this State.
- (c) The collection of premiums, membership fees, assessments, or other consideration for insurance contracts, from residents of this State.
- (d) The doing or proposing to do any act in substance equivalent to subdivision (a) to (c); and

WHEREAS, Section 1201a of the Insurance Code, MCL 500.1201a, prohibits a person from selling, soliciting, or negotiating insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with Chapter 12 of the Insurance Code; and

WHEREAS, OFIS received a complaint concerning from a medical doctor who purchased medical malpractice insurance from Respondent Companies and Respondent Ledee; and

WHEREAS, Respondent Companies are not licensed under Section 402 of the Insurance Code, MCL 500.402, and are conducting transactions listed under Section 402a of the Insurance Code, MCL 500.402a; and

WHEREAS, Respondent Ledee is not licensed under Section 1201a of the Insurance Code, MCL 500.1201a; and

WHEREAS, based on the foregoing, OFIS Staff recommends that the Commissioner find that Respondents are engaged in acts and practices that violate Sections 402, 402a, and 1201a of the Insurance Code, MCL 500.402, 500.402a, and 500.1201a; and

WHEREAS, this action is necessary, appropriate, and in the public interest for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Act.


Therefore, pursuant to Section 251 of the Insurance Code, MCL 500.251, it is **ORDERED** that:

1. Respondents shall immediately **CEASE** and **DESIST** from conducting any of the following:

- (a) Conducting transactions of insurance for which a certificate of authority is required by the Insurance Code without having obtained a certificate of authority.
 - (b) Acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by the Insurance.
 - (c) Engaged in an act or practice in the business of insurance for which authority from or notification to the Commissioner is required by the Insurance Code and the person has not received authority or given notification.
2. If you violate or otherwise fail to comply with this Order, you are subject to the payment of a civil fine of not more than \$1,000.00 for each violation not to exceed an aggregate civil fine of \$30,000.00. However, if you knew or reasonably should have known you were in violation of the order, payment of a civil fine of not more than \$25,000.00 for each violation not to exceed an aggregate civil fine of \$250,000.00.

You may contest this Order by requesting a hearing before the Commissioner not later than 30 days after the Order has been delivered or mailed to you. Any request for a hearing should be addressed to: the Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.

MICHIGAN DEPARTMENT OF
LABOR & ECONOMIC GROWTH

By: 

Frances K. Wallace
Chief Deputy Commissioner